BUREAU OF LA	STATES OF THE INTERIOR	Artesia I	st Street	Expires	November 30, 2000
SUNDRY NOTICES Do not use this form for abandoned well. Use For	proposals to drill or	to re-enter an		1.C-081391 -1 6. If Indian, A	B llottee or Tribe Name
SUBMIT IN TRIPLICATE -	Other instructions	on reverse side		7. If Unit or C Indian Hil	A/Agreement, Name and/or N 15 Unit
1. Type of Well Oil Well X Gas Well Other 2. Name of Operator		<u> </u>		NM 70964 8. Well Name Indian Hil	
Marathon Oil Company		RECEIVE() 3b. Phone No.) (include fais		9. API Well N	
P.O. Box 552 Midland, TX 79702 4. Location of Well (Footage, Sec., T., R., M., or Survey		800-351-1417			Pool, or Exploratory Area in Upper Penn
Surface: UL "C", 503' FNL & 2310' Bottom Hole: UL "B", 1313' FNL & 3 Section 29, T-21-S, R-24-E				11. County or Eddy	
12. CHECK APPROPRIATE	E BOX(ES) TO INE	DICATE NATURE OF I	NOTICE, REF	PORT, OR OT	HER DATA
TYPE OF SUBMISSION		TYF	PE OF ACTION		
 Notice of Intent X Subsequent Report Final Abandonment Notice Bescribe Proposed or Completed Operation (clean If the proposal is to deepen directionally or recom Attach the Bond under which the work will be p following completion of the involved operations, testing has been completed. Final Abandonment determined that the final site is ready for final ins Marathon Oil Company, in accordar requesting approval of off-lease production from this well. Also we are requesting off-lease stort any liquid hydrocarbons this well is facility in Section 20, T-21-S, used to measure only the product transported via pipeline to the 	plete horizontally, give s erformed or provide the l If the operation results i Notices shall be filed or pection.) ance with 43 CFR a storage, measure o, in accordance rage and sales, a l might make in s sent from the w R-24-E, just nor cion from this we East Indian Basi	ils, including estimated start ubsurface locations and mea Bond No. on file with BLM/ n a multiple completion or n ly after all requirements, in 3162.7-3 and Onsho rement and sales, a with 43 CFR 3162.7 lternate measureme the future. rellhead to a 3 pha th of the well's s chi. After being m n Central Facility	Reclamat Recomple Temporat Water Dis ing date of any p isured and true ve BIA. Required ecompletion in a cluding reclamat re Oil and nd surface -2 and Onsk int method, se separato urface loca easured, th , Section J	ete ily Abandon sposal roposed work and ertical depths of a subsequent report new interval, a F tion, have been co Gas Order N commingling fore Oil and and surface or located a tion. This se gas produ 9, T-21-S,	Il pertinent markers and zones s shall be filed within 30 day orm 3160-4 shall be filed onco- ompleted, and the operator ha o. 5, is of gas Gas Order No. 4, commingling of t the satellite separator is ction is R-24-E, for
compression, and then on to the this well might produce in the f the alternate measurement method Basin Central Facility where it and then be metered and sold thr 14. I hereby certify that the foregoing is true and correct Name (Printed Typed) Ginny Larke	uture will be me l per prior appro will be again be rough a LACT unit	asured through this wals, then transpose separated, sent to 	s separator orted via pi	r, using tur peline to t d hydrocark	bine meters as he East Indian
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	IS SPACE FOR FEI	DERAL OR STATE OF	FICE USE		

Certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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<u>APPLICATION FOR SURFACE COMMINGLING</u> OFF-LEASE MEASUREMENT, STORAGE AND ALTERNATE MEASUREMENT <u>APPROVAL</u>

To: Bureau of Land Management P.O. Box 1778 Carlsbad, New Mexico 88220-1778

<u>Marathon Oil Company</u> is requesting approval for Surface Commingling, Off-Lease Storage, Measurement and Sales, and Alternate Measurement of hydrocarbon production from the following formation(s) and well(s) on:

Lease Name: Indian Hills Unit

Well No.	UL	Sec	тwр	RNG	Formation	<u>Fed. Lease #</u>	<u>COM</u>
Gas Com 27	B				Upper Penn	LC-064391-B	

Marathon would like to commingle the production from this well with the production of the following wells, which is commingled at the East Indian Basin Central Facility, (Order R-11186)

WELL NO.	BOPD	<u>API ⁰</u>	<u>MCFD</u>
1	29	48.2	2568
8	51	35.7	2225
9	161	40.7	1938
10	335	46.3	5761
10	122	42.2	2109
12	118	40.6	587
12	395	41.3	2779
18	264	44.7	2322
19	145	45.8	3786
20	184	46.1	2954
20	364	41.5	7499
22	685	46.0	10868
22	53	48.0	4220
Gas Com 14	10	41.2	7185
Gas Com 13	83	44.8	5576
Gas Com 3	14	61.6	6135
IB "32" State 1-Y	11	48.2	8864
IB "32" State #2	4	56.0	9366
IB "32" State #2 IB "32" State #3	80	38.6	1228
IB "32" State #4	103	41.2	3434

Liquid hydrocarbon production is measured using turbine meters, per prior approval. These meters are proved on a regular schedule. Maps are enclosed showing the lease numbers and location of all leases and wells that will contribute production to the commingling/common storage facility. Schematic

diagrams of the satellite facility are also attached which clearly identify all equipment that will be used.

The Storage and Measuring facility is located at UL "P", Sec. 19, T-21-S, R-24-E, Eddy County, New Mexico. The satellite facility is located in Section 20, T-21-S, R-24-E, Eddy County, NM. The BLM has been notified of these facilities in prior applications.

The gas, liquid hydrocarbons and water from this well will be sent from the wellhead to the satellite facility. A 3-phase separator will be dedicated to this well. After separation, the gas is metered at the satellite facility before being delivered to the compressors at the Storage and Measurement facility in Section 19. After compression, the gas is processed through a dehydrator, metered and delivered to the Indian Basin Gas Plant for further processing. The gas and NGLs will then be metered and sold at the tailgate of the plant.

The liquid hydrocarbons and water, after being metered through the separator at the satellite facility, will be recombined and then flow to a 3-phase separator at the Storage and Measurement facility in Section 19, via liquid pipeline. After separation, the liquid hydrocarbon production will be processed and stored in tanks at the Storage and Measurement facility. Processing may include the use of heat treating or other liquid hydrocarbon processing equipment. The liquid hydrocarbons will then be metered through a LACT unit, per prior approval, and sold at the truck loading rack. The water production, after being processed through the 3-phase separator at the Storage and Measurement facility, will be sent to the gun barrel for further separation. It will then be stored in tanks at the Storage and Measurement facility prior to being metered and pumped to the SWD system.

The working interest owners were notified of the original commingling proposal. The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. The proposed commingling is necessary for the continued operation of the above referenced Federal Leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by lease instrument and we will submit, within 30 days, an application for right-of-way to the BLM's Realty Section in your office, if we have not already done so. Additional wells will require additional commingling approvals.

Signature:

Dinny Larke

Name: Ginny Larke Title: Engineer Technician February 13, 2001

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Attachments

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MARATHON OIL COMPANY CONSOLIDATED FACI 'Y COMMINGLE PERMIT NO. PLC-140 GATHERING SYSTEMS







